for assistance of Rs. 74.83 crores from the National Renewal Fund for payment of Gratuity and compensation under the Voluntary Retirement Scheme to the staff of the Maharashtra State Textile Corporation Ltd. and the Textile Corporation of Marathwada Ltd. However, assistance from the National Renewal Fund is provided for implementation of Voluntary Retirement Scheme in Central Public Sector Undertakings and counselling/retraining/redeployment of rationalised workers only.

N.P.A. Due to Industrial Houses

632. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether loan amounting to thousands of crores of rupees advanced by public sector banks and financial institutions are classified as bad and doubtful debts;

(b) if so, whether a substantial portion of these non-performing assets have been given to industrial houses;

(c) if so, whether these industrial houses had managed to secure these loans deposit their (earlier) doubtful loans written off as bad debts;

(d) if so, whether some bank officials have been found to be not following the laid down guidelines in advancing loans to these industrial houses during the last five years;

(e) if so, action taken or proposed to be taken against them, and

(f) the measures taken or proposed to be taken to minimise the details of amount of bad and doubtful debts in public sector banks and financial institutions?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Public sectors banks classify advances into performing (standard) and non-performing (NPAs) categories bases on the record of recovery. The NPAs are further classified into the following depending upon a number of sectors including the age of NPA and the realisability of asset:

1. Substandard

2. Doubtful

3. Loss assets.

(b) The present data base of Reserve Bank of India (RBI) does not generate specific information relating to credit to industrial houses.

(c) to (e) The information is being collected and to the extent available will be laid on the Table of the House.

(f) The following steps have been taken by RBI with a view to reduce NPAs in public sector banks;

1. RBI has advised banks to have documents of loan recovery policy prepared and duly vetted by Board of Directors. The policy prescribes the manner of recovery of dues, targetted level of reduction, norms for permmitted sacrifices/waiver etc.

2. Reduction of NPAs through compromise/write-offs, through negotiated settlments to ensure maximum recovery at minimum expense.

3. Two banks have been permitted to set up settlement Advisory Committees headed by a retired Judge of High Court to scrutinise compromise proposals and make objective recommendations.

4. Setting up of Recovery Cells at Head Quarter and fixing of branchwise targets for reduction in NPAs. Performance of branches in recovery to be monitored by Head Quarter on monthly basis and Board of Directors kept informed of the progress of quarterly basis. RBI also monitors reduction of NPAs.

5. Setting up of Recovery Tribunals at Calcutta, Delhi, Bangalore, Ahmedabad, Jaipur, Chennai, Guwahati and Patna and an Appellate Tribunal in Mumbai.

6. Compilation and circulation of list of defaulters suit filed accounts.

7. Review of top 300 NPAs of public sector banks with special reference to the system prevailing in the banks to fix staff accountability.

Abid Hussian Committee

633. PROF. P.J. KURIEN: Will the Minister of INDUSTRY be pleased to state:

(a) the details of the recommendations of the Abid Hussian Committee implemented so far;

(b) whether small scale industries association have represented against its implementation; and

(c) if so, the details thereof and reaction of the Government thereto?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) The Government have taken action of the following recommendations of the Abid Hussain Committee on Small Enterprises:-

1. **Raising of Investment Limit:**

Government have taken a decision to raise the investment limit on plant and machinery for the small scale/ ancillary units from Rs. 60/75 lakhs to Rs. 300 lakhs as recommended by the Committee. The draft notification in this regard, has been laid on the Table of the Parliament on 20/21 March, 1997. the notification will be issued on the expiry of the 30 sitting days of the Parliament.

2. **Credit Needs of the Tiny Enterprises:**

Government have decided to earmark a minimum of sixty per cent of the priority sector lending allocated to the small scale sector for the tiny sector.

(b) and (c) Government have received representations